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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	Hungary	REPORT	
SUBJECT	Obuda Shipyard	DATE DISTR.	8 October 1954
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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

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1. Location.

a. The Obuda shipyard is at Hajógyár utca, Budapest III, on the western bank of the Danube, occupying the southern end of an island, the Obudai Sziget. The site of the shipyard is divided by a dead arm of the Danube which is used as a harbor and along which are situated the building slips as well as the moorings for completed vessels.

b. To the north of the site there is a sugar refinery, to the west, facing the island on the far side of the arm of the Danube, there are dwellings. On the southern most end of the two promontories formed by the arm of the Danube, the dead end of the harbor and the main stream of the river, is the newly completed Stalin bridge crossing the Danube.

2. Production.

a. The shipyard produces the following:

(1) Passenger river steam ships. These boats are propelled by side paddles. They are fitted with luxurious cabins and many facilities for passengers' comfort.
(2) Steam tugs with paddles for river service. The design of these boats is somewhat old fashioned compared with tugs formerly built for Hungary's own use. The Russians insist that the design must not be modified in spite of the fact that it is not suitable for towing barges abreast, but only in line (3 to 4 barges).
(3) Major ship repairs.
(4) Foundry work for other concerns.
(5) Steam engines and boilers.

b. During the first half of 1953 the value of production was equivalent to 264,000,000

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STATE	ARMY	NAVY	AIR	FBI	AEC	ORR By x		
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Approved For Release 2007/08/04 : CIA-RDP80-00810A004800190007-5

Approved For Release 2007/08/04 : CIA-RDP80-00810A004800190007-5

25X1

Forints p.a. Production of the foundry was running at about 2,640 tons p.a., most of which was for other workshops within the shipyard. Currently priority is given to production of tugs.

3. Materials.

Steel sections, rolled steel, plates	Ózd Metallurgical Works Diósgyör Metallurgical Works
Plates	Lörinc Rolling Mill, Budapest
Rivets	Screw Factory (Csavarárugyár)
Electric motors	Ganz Electrical Engineering Factory
Pumps	Small Pumps Factory (Kisszivattyúgyár)
Chains	Industrial Chains Factory (Ipari Láncgyár)
Wire cables	Steel Wire and Cable Factory (Miskolci Acéldrót és Sodronykötélgyár) Miskolc
Linoleum	Rubber Goods Factory (Ruggyantaárugyár) Budapest
Electric switches	Kontatka
Scrap for foundry	Vafém (Scrap recovery organization)
Pig iron, coke (for foundry)	Argi Depots
Welding electrodes	Rákosi Mátyás Metallurgical Trust, Electrodes Factory.

4. Destination of Products.

a. Export consignees:

(1) Passenger river ships. These are dispatched to the USSR where they are used for service on the Volga-Don Canal and up as far as Moscow. The order on hand calls for ten of these vessels. By July 1953 the seventh unit was completed and it is believed that the tenth will be completed some time in the first half of 1954.

(2) River steam tugs. These craft are destined for the USSR. The number of tugs produced is not known, but the shipyard has been turning them out at full capacity; so much so that since the war it has not been possible to produce any tugs for Hungary's own needs.

b. Internal consignees:

(1) No shipbuilding is taking place for Hungary.
(2) Ship repair work.
(3) Negligible quantities of castings for Hungarian concerns.

5. Transport.

a. Incoming materials are transported only by rail and trucks.

b. Outgoing products, i.e. ships, travel by water.

6. Power.

Normally, power supply is from the national grid. In an emergency, power could be

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25X1

obtained from a small thermal power station on the premises of the shipyard, which is ordinarily not in operation.

7. Labor.

The number of employees is about 1,400-1,500, of whom very few are women. Normally work is in 2 full strength 8-hour shifts on 6 days per week. But preceding the delivery of completed passenger boats work on board continues round the clock. The workers have their homes mainly in the district of Obuda, which is close by the shipyard. Some come to work from Csilaghegy and Szentendre by streetcar or railroad.

8. Machinery.

a. The following is a list of equipment available in the work-shops:

(1) Forging hammers (of sufficiently large size, but very old).
(2) Presses (20-25 years old).
(3) Lathes (of large size, but old).
(4) Planing machines (of large size, but old).
(5) Milling machines (of large size, but old).
(6) Drilling machines (of large size, but old).
(7) Welding machines.
(8) Wood working machine tools.
(9) Templates (ships' plates and frames are placed into these devices for welding and later for fabricating sections of the hull ready for assembly).
(10) Hand tools.

b. There is a test room (with non-automatic air conditioning) and a well equipped chemical laboratory.

c. Internal mechanical handling and transport is by:

(1) Cranes traveling on tracks and connecting the workshops with the building slips along the bank. (There are two such tracks for traveling cranes.)
(2) Tractors.
(3) Self-propelled cranes (with caterpillar tracks).

9. Quality Control.

Quality control is carried out by a team of 52 inspectors. It is the most reliable quality control organization in the country. There has never been a complaint about quality because all products leaving the plant are perfect.

10. Bottlenecks.

a. Bottlenecks known to have occurred in the past are as follows:

(1) Shortage of skilled labor,
(2) Poor quality of paint,
(3) Lack of nautical instruments,
(4) Poor quality of plates,
(5) Shortage of internal furnishings and fittings (linoleum, electric switches, etc.)

b. Bottlenecks adversely affecting current production are as follows:

(1) Bad quality of welding electrodes. (But they are causing less trouble than at the Ganz Shipyard because the personnel is more skilled in welding technique.)
(2) Shortage of nautical instruments.
(3) Poor quality of plates.

c. Bottlenecks which could be expected in the event of war would be those created by the elimination of either of the following two departments:

(1) The machine-tool shop (No. 14 in attached sketch map).

Approved For Release 2007/08/04 : CIA-RDP80-00810A004800190007-5

Approved For Release 2007/08/04 : CIA-RDP80-00810A004800190007-5

25X1

(2) The mould loft (above the shipwright shop, No. 16 in sketch map).

11. Security.

a. There is no armed guard to protect the premises. At night there are watchmen on duty as well as personnel of the works fire brigade. At the gates and entrances, passes and documents are rigorously checked.

b. Elimination of the director or the chief engineer, for example, would not seriously affect production. If any of the workshops or vital machinery were put out of operation, this would slow down production considerably.

12. Organization.

a. Internal organization of the shipyard is similar to that of other large concerns in Hungary. There are no secret departments. The concern is subordinated to the Shipbuilding Industry Trust (Ministry of Metallurgy and Mechanical Engineering). It has no subsidiary concerns.

b. Identities of executive personnel:

(1) Director: Gönczöl (fnu), formerly a manual worker.

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(2) Chief Engineer: Name not given. He is an engineer who worked in the Ganz Shipyard for many years.

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(3) Chief of Quality Inspectors: Name not given.

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(4) Deputy Chief of Quality Inspectors: Name not given.

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25X1

Approved For Release 2007/08/04 : CIA-RDP80-00810A004800190007-5

Approved For Release 2007/08/04 : CIA-RDP80-00810A004800190007-5

25X1

Legend to sketch "A" showing the Obuda Shipyard:

1. Danube
2. Obuda Island
3. Harbor (dead arm of the Danube)
4. Bridge, which can be opened and closed (used only for communication with the foundry)
5. Foundry
5A. Factory yard
6. Shipyard arm of Danube (Hajógyári Dunaág)
7. Bridge (which is also the main and only entrance to the site)
8. Porter's lodge
9. Fence and gate
10. Building containing director's office and laboratory
11. Believed to be a depot for incoming material
12. Coal depot (for incoming coal)
13. Boiler room and forging shop
14. Machine-tools shop
15. Smith shop and assembly shop
16. Shipwright shop and mould loft
17. Storehouse for materials
18. Believed to contain office rooms
19. Deposit for plates
20. Traveling crane tracks
21. Building slips
22. Moorings
23. Moorings for completed ships awaiting departure
24. Stalin Bridge (newly completed, formerly the project was called Árpád Bridge)
25. Railway line

Legend to sketch "B" showing location of plant in relation to surrounding locality:

1. Obuda shipyard
2. Danube
3. Harbor
4. Shipyard canal of Danube (Hajógyári Dunaág)
5. Iron bridge (entrance to shipyard)
6. Stop of suburban and long distance railroad line
7. Obuda Island
8. Stalin bridge
9. Railroad line and streetcar line
10. Stop of bus line
11. Dwellings
12. Hajógyár-utca

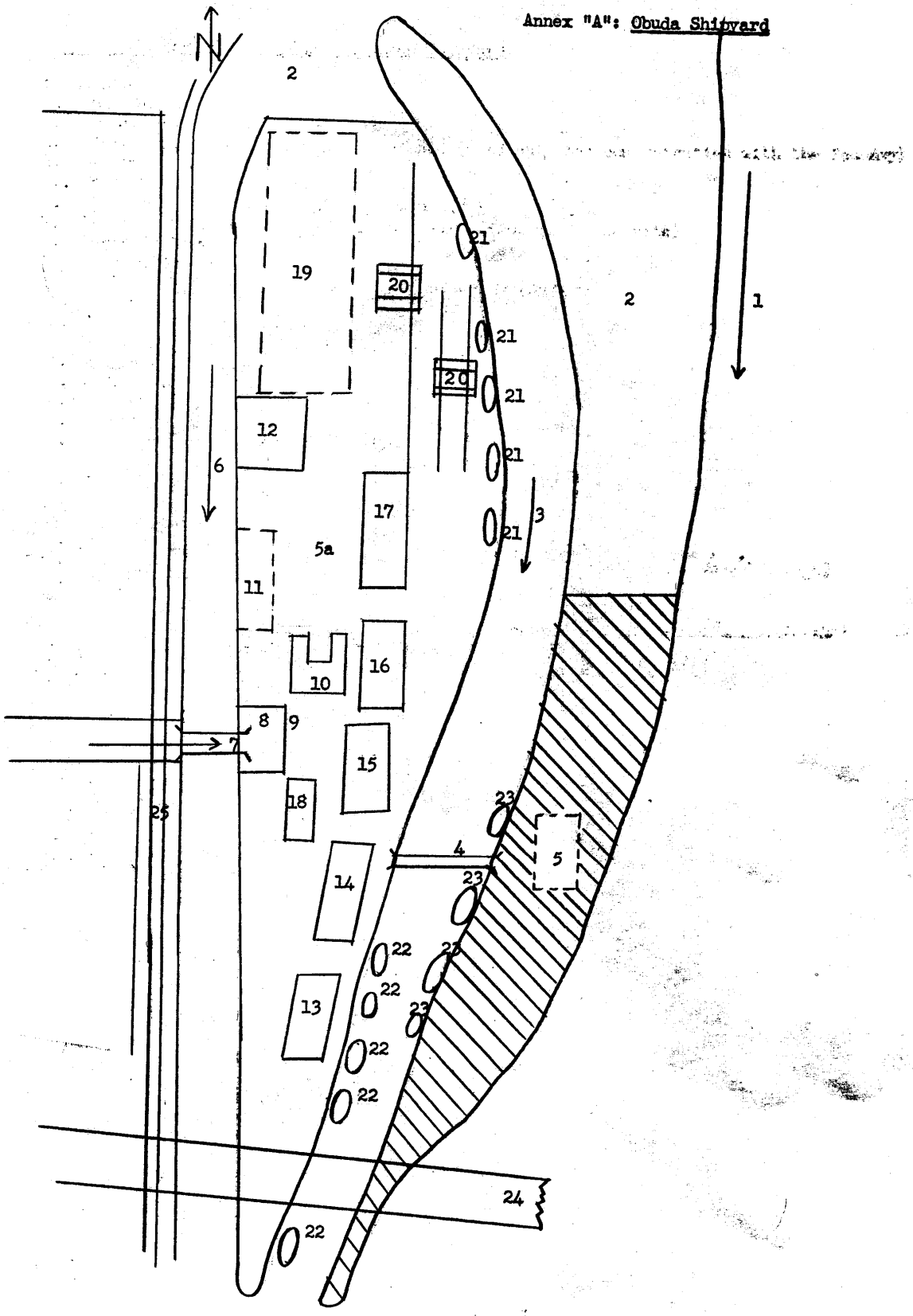
Annexes: (A) Obuda Shipyard (1 page)
(B) Area of the Obuda Shipyard (1 page)

Approved For Release 2007/08/04 : CIA-RDP80-00810A004800190007-5

Approved For Release 2007/08/04 : CIA-RDP80-00810A004800190007-5

25X1

Annex "A": Obuda Shipyard

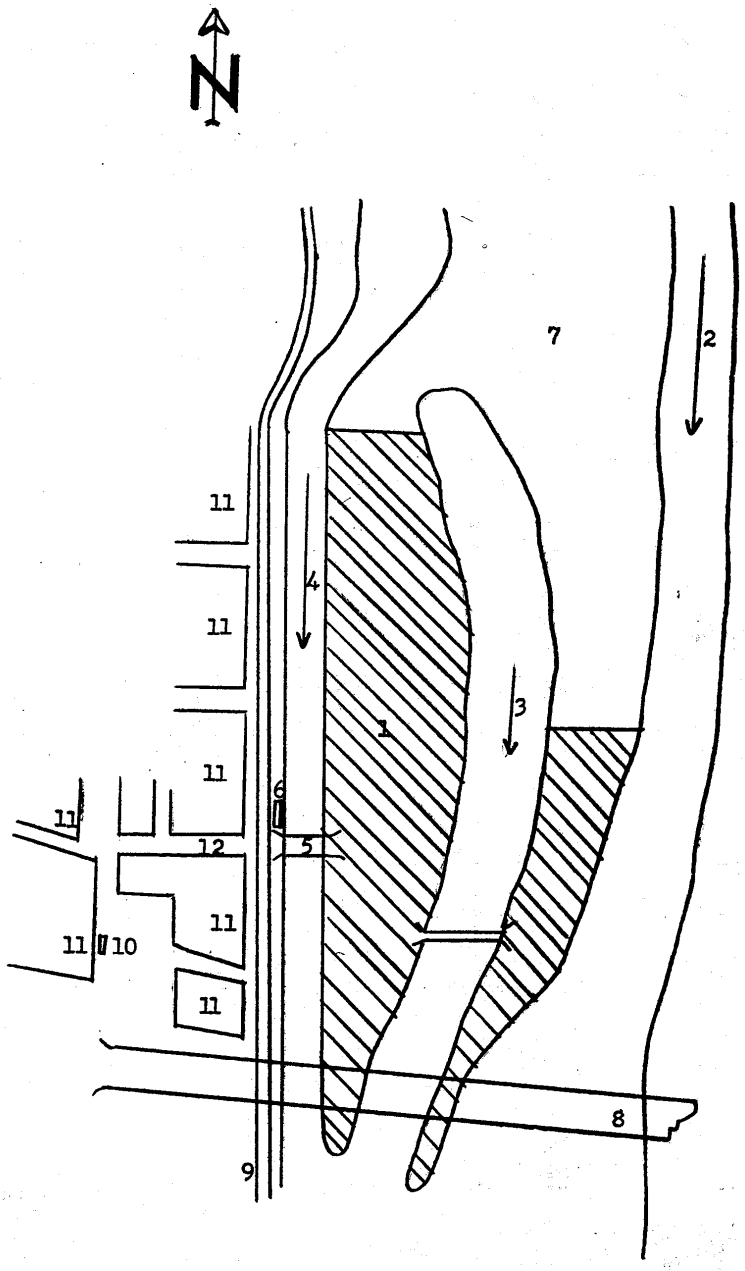


Approved For Release 2007/08/04 : CIA-RDP80-00810A004800190007-5

Approved For Release 2007/08/04 : CIA-RDP80-00810A004800190007-5

25X1

Annex "B": Area of the Obuda Shipyard



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